



Yangtze River Development Ltd (OTC: YERR, Target Price: \$11.00)

Yangtze River Development Ltd. (OTC: YERR) is a unique infrastructure company with intriguing logistics and real estate components. The company is one of few – if any – US-listed pure play companies focused on infrastructure development in China. YERR has embarked upon a significant new development project in a strategically important area of China, the Wuhan Yangtze River Newport Logistics Center, which YERR expects to be closely linked to China's "One Belt, One Road" Initiative long term economic plan. With over 10mn people, Wuhan is a major transportation hub and the capital of the Hubei province. The Wuhan Yangtze River Newport Logistics Center project spans 474 acres, and will encompass a logistics center, port operations, warehouses and distribution, as well as commercial and residential real estate construction. Since we initiated coverage on the company YERR has made progress on its financing needs and reported 2016 results, as highlighted below.

Investment Highlights

Strategic financing agreement offers significant potential

On October 6, 2016, YERR announced a significant new partnership with Armada Enterprises GP, LLC ("Armada"), a Delaware LLC. The announcement states that YERR has received commitments for up to \$1 billion in project financing for its large-scale port project in Wuhan, China. As we stated in our initiation of the company in June 2016, we have seen capital raising as a key need for the company to advance development of the projects and put YERR in a position to realize / demonstrate value from its significant real estate assets located in a strategic industrial area of China.

In the announcement, YERR indicated that it will also engage Wight International Construction ("Wight"), and Armada subsidiary, to lead the construction and development of the port. As consideration YERR will issue \$500mn in convertible debt to Wight (converting into 50mn shares at \$10 per share), and will issue 60mn shares to Armada valued at 8.33 per share. If the debt is fully converted, and YERR issues the maximum number of shares to Armada, the company would issue up to 110mn shares at an average price of \$9.09 per share. For its part, Armada will be responsible for raising \$1 billion in project financing, and will be subject to a breakup fee of \$2mn in the event that it is unable to raise a minimum of \$50mn in project capital. YERR will also receive 100mn membership units of Wight International Construction, valued at \$10 per unit, which would convert to limited partnership units in Armada Enterprise LP, upon Armada's contribution of Wight to Armada LP. Of note, YERR management noted that the company could receive an increase of \$1 billion in assets on their balance sheet from the the 100mn units at \$10, and the company will have approximately a 33% ownership in Wight International Construction following the deal.

Price target to \$11.00 for YERR

Considering the company's recent financing announcement, which management believes should provide the opportunity to realize value from its asset, we are raising our price target to \$11.00 at this time. We would look to revisit this as funding commitments are realized, or real estate assets are monetized at transaction prices that highlight the potential upside for the project.

Stock Details (10/19/16)

OTC:	YERR
Sector / Industry	Industrials / Logistics
Price target	\$11.00
Recent share price	\$4.71
Shares o/s (mn)	172.3
Market cap (in \$mn)	811.4
52-week high/low	\$3.50 / 5.45

Source: Thomson Reuters, SeeThruEquity Research

Key Financial (\$mn, unless specified)

	FY13	FY14	FY15
Revenues	3.0	3.5	0.0
EBITDA	(1.8)	(2.4)	(4.5)
EBIT	(1.9)	(2.4)	(4.6)
Net income	(1.4)	(4.3)	5.3
EPS (\$)	(0.01)	(0.03)	0.03

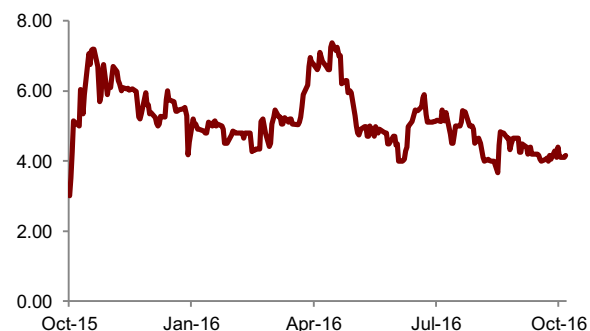
Source: SeeThruEquity Research

Key Ratios

	FY13	FY14	FY15
Gross margin (%)	0.1	(6.8)	NM
Operating margin (%)	(63)	(70)	NM
EBITDA margin (%)	(60)	(70)	NM
Net margin (%)	(48)	(123)	NM
P/Revenue (x)	239.1	206.7	NM
EV/EBITDA (x)	NM	NM	NM
EV/Revenue (x)	279.1	241.3	NM

Source: SeeThruEquity Research

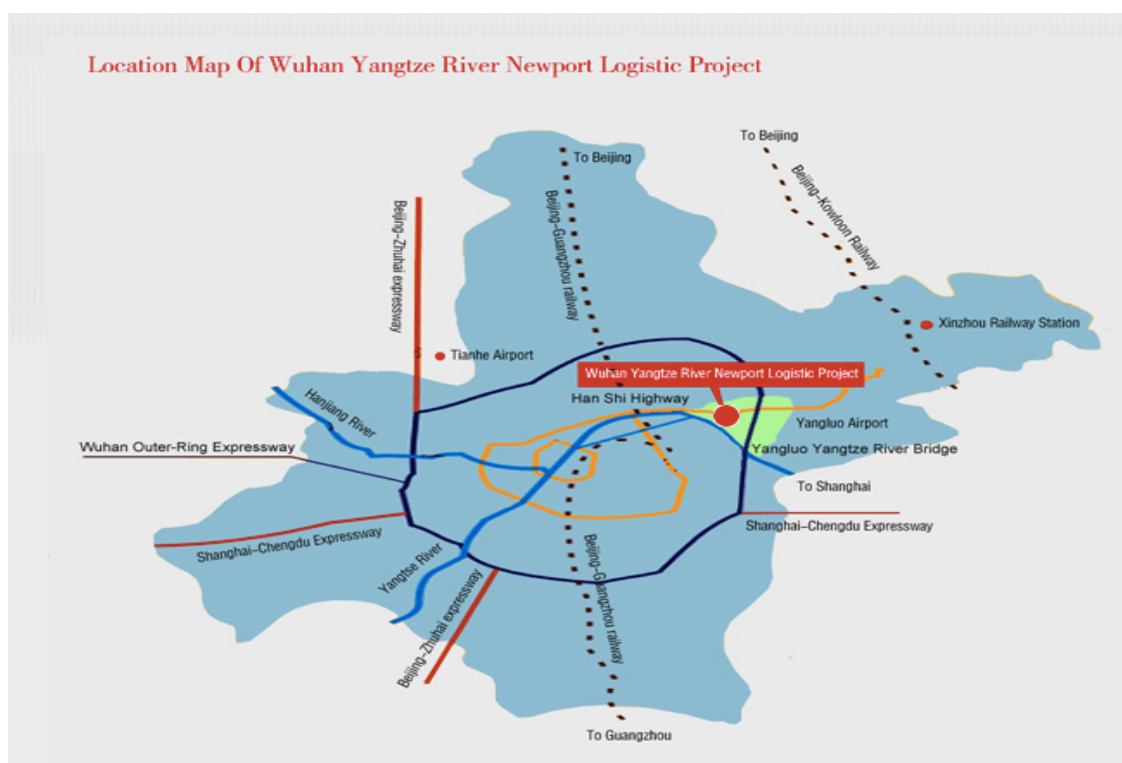
Share Performance, LTM



Source: Thomson Reuters

YERR announces that it has secured up to \$1 billion in new financing

- On October 6, 2016, YERR announced that it had received commitments for up to \$1 billion in new financing for the development of its lead project, the Wuhan Yangtze River Newport Logistics Center. The project is located in the Yangluo Economic Development Zone, allowing it to gain access to support from key government initiatives including the China State Council's "Vigorous Development Plan of Yangtze River Economic Belt," and the "One Belt One Road" infrastructure development initiative, issued in 2015 to improve trade capabilities with Europe, Africa, and the rest of Asia. The project is in proximity to a variety of transportation methods, including a railway under development and an expressway. Additionally, the project is positioned in Yangluo port, making its location in an area that has applied for approval to become "Free-Trade Zone". If granted, this would have the potential to enhance the value of the company's real estate and the potential profitability of the logistics center.
- According to the company, the financing will come from US-based Armada Enterprises GP, LLC ("Armada"). YERR also agreed to engage an Armada subsidiary, Wight International Construction LLC ("Wight"), as its construction partner to complete the industrial port project.



- As we noted in our initiation of YERR, released in June 2016, we have seen access to capital for the completion of its infrastructure project as a major hurdle for value creation at the company. YERR had already invested several hundred million dollars in the development of the Wuhan Newport infrastructure project, and management has stated that a key corporate goal is to find a strategic partner to contribute financing for a significant portion of the remainder of the project.
- YERR's Wuhan Yangtze River Newport Logistics Center project is planned to be an extensive complex, spanning 474 acres, and including port operations, logistics center, warehouses and distribution. Pending funding pending, construction is expected to be constructed over the next five years and is estimated to cost an additional \$800mn, with 2021E estimated for the completion and the initiation of its logistics business.

- YERR has signed an agreement to rent 1.2mn square meters of land on a long term basis for building logistics warehouses covering 400,000 square meters in support of the new port. The Logistics Center is planned to be located in the Wuhan Newport Yangluo Port on the upper stream of the Yangtze River. The location is strategically located close to Wuhan Iron and Steel, which YERR has described as “China’s first supergiant iron and steel complex” in its SEC filings. The Logistics Center’s will include eight 5,000 to 10,000-ton berths, two of which YERR has described as multi-purpose berths and the other six to be used as general cargo berths.
- With the announcement of a strategic financing and construction partner in Armada / Wight, YERR management may be on the cusp of reaching a significant financing milestone. We look forward to updates from the company as to the timing of when it will receive the cash as capital is raised, which would allow it to accelerate development on the Wuhan port.

Deal terms point to partner-based approach to Wuhan port development

- According to the company’s release, the terms of the financing with Armada include several tiers, which management stated could ultimately raise as much as \$1 billion for the project.
- YERR stated that it will issue a convertible \$500mn promissory note to Wight (converts at \$10.00 into 50mn shares), and will also provide 60mn shares valued at \$8.33 per share, 50mn of which will be issued upon closing. The remaining 10mn shares will be issued after Armada / Wight has fulfilled its obligation to procure \$1 billion for YERR. Overall, management stated that YERR will be issuing 110mn shares at an average price of \$9.09 as part of the strategic financing agreement.
- It was unclear from the release whether the share and convertible debt issuances would occur pro rata with funds raised for the project, or upon Armada meeting a certain threshold.
- For its part, YERR indicated that Armada / Wight will issue YERR 100mn membership units in Wight, valued at \$10 per unit, valued at \$1 billion as consideration for YERR’s convertible promissory note. According to the press release, the 100mn membership units in Wight would convert to LP units in Armada Enterprise LP, upon Armada’s contribution of Wight to Armada LP.
- Worth noting is that YERR management stated the company would recognize a \$1 billion gain on its balance sheet as a result of the 100mn units issued in the transaction, and also that YERR would have approximately a 33% interest in Wight International Construction following the consummation of the deal.
- **Break-up fees:** Armada agreed to pay YERR a non-refundable \$2mn fee to be held in escrow as a break-up fee in the event that Armada does not obtain a minimum of \$50mn in financing.

Price Target rises to \$11.00 to reflect deal valuation and reduced liquidity risk

- We have seen access to capital as a significant risk to YERR, and the company’s statement that it has received commitments for \$1 billion in new capital, which, when received, should allow for significant value creation from the company’s assets. The recent financing terms value the company at \$8.33 and \$10.00, with an average valuation for YERR at \$9.09, which was well above our former price target. Considering this, as well as the 33% interest in Wight International Construction acquired by YERR as part of the deal, and the potential to realize value from the company’s assets, we are raising our price target to \$11.00 at this time. We would look to revisit this as funding commitments are realized, or real estate assets are monetized at transaction prices that highlight the potential upside for the project.
- The price target of \$11.00 reflects a view that YERR has the potential to generate significant value from its real estate assets and recognizes the valuations used in the recent transactions announced by the company. It also assumes that YERR would be able to successfully fund and develop an attractive port in an emerging industrial zone in China. The potential value of these assets could be particularly affected by the outcome of the area’s application to become the Free Trade Zone.

FINANCIAL SUMMARY

Figure 1. Statement of Operations Summary

Figures in \$, unless specified	2Q16	2Q15
Revenue	0	0
YoY change	N/A	N/A
Cost of Revenue	0	0
% of Revenue	N/A	N/A
General & Administrative Expenses	3,794,731	982,624
YoY change	286.18%	N/A
Selling Expenses	1,469	4,286
YoY change	32.06%	N/A
Total Operating Expenses	3,796,200	986,910
YoY change	47.47%	N/A
Operating Income (Loss)	-3,796,200	-986,910
Operating Margin	N/A	N/A
Interest Expense	-4,317,961	-1,595,846
Other Items	2,931	26
Taxes	-598,924	-645,682
Net Income	-7,512,306	-1,937,048
Foreign Currency	-6,792,885	135,412
Comprehensive Income	-14,305,191	-1,801,636
EPS - Basic & Diluted	-0.04	-0.01
Avg Shares in Period	172,267,386	151,000,000

Source: Company Filings, SeeThruEquity Research

YERR operations continues in 2Q16; company continues to seek to advance development of Wuhan Yangtze River Newport Logistics Center.

- YERR filed its 2Q16 10-Q for the period ending June 30, 2016 in August. We did not expect the company to generate revenues and earnings during this period given that its focus is the development of the Wuhan Yangtze River Newport Logistics Center.
- Operating expenses came in at \$3.8mn, versus \$1.0mn in 1Q15. YERR invested 1.1mn in cash from operating activities during the period.
- **YERR reports EPS of (\$0.04):** YERR reported a net loss of (\$7.5mn), or (\$0.04) per share, versus (\$1.9mn), or (\$0.01) per share in 2Q15. Comprehensive income came in at (14.mn) due to foreign currency adjustments.
- YERR ended the quarter with shareholders' equity of \$209.8mn. The company's key assets include real estate properties and land under development of \$356.6mn and completed properties of \$30.8mn. YERR will need capital to advance its lead project, which is estimated to require an additional \$800mn, which could be raised through strategic financing agreements, real estate sales, or a combination.
- In our view a key point of interest for YERR will be the timing and pricing it is able to realize as it monetizes its real estate assets while developing the port and logistics center. This will likely be influenced not only by the company's own efforts but also by the outcome of area's application to become a Free Trade Zone. The outcome of this application would likely have a significant impact on the value of YERR's development projects and real estate assets.

Management Team

Xiangyao Liu, President, CEO, Secretary and Chairman of the Board (age 44)

Mr. Xiangyao Liu served in the state-owned Materials Bureau of Hebei Province and was involved in steel and other logistics trading between 1994 and 1996. From 1996 to 2003, he invested and established the Pacific Trade and Logistics in China, served as the General Manager and engaged in the trading and logistics of steel, agricultural products and other commodities. In 2010, Mr. Liu participated in the investment of Wuhan Renhe Group Limited, which held the Wuhan Huazhong Steel Trading Center Co., Ltd., at that time, supervising the logistics and trading of steel. He also started to engage in financial and security investments in Hong Kong. From November 2010 to December 2012, Mr. Liu was the deputy general manager of Wuhan Renhe Group Limited; From January 2012 to June 2015, Mr. Liu served as the Deputy General Manager of the Wuhan Huazhong Steel Trading Center Co., Ltd., which later became the Wuhan Yangtze River Newport Logistics Co. Ltd. He supervised the transition of the steel trading center to a residential and commercial complex which supports the warehouses and docks, led projects to bring the Steel Trading Center into the Yangluo Comprehensive Bonded Zone and Free Trade Area in Wuhan, supervised the feasibility study of the Wuhan Yangtze River Newport Logistics Center and collaborated with the local government to develop the Yangluo Newport Project Plan, handling corporate structuring, strategic planning and operations management of the company. Mr. Liu was appointed as the CEO and the Chairman of the Board of the Company in July 2015 because of his managerial skills and expertise in the industry.

Mr. Liu received his Bachelor's degree in Business Management from the Hebei Institute of Finance in 1994.

Xin "Cindy" Zheng, Chief Financial Officer (age 37)

Ms. Zheng joined the Company (formerly Kirin International Limited) in December 2009. From September 2010 to March 2011, she has been employed by the Company's finance department where she has had oversight of the Company's accounting and financing matters. Ms. Zheng was appointed as Chief Financial Officer in April 2011. Prior to joining the Company, Ms. Zheng was employed as Marketing Director for both Xingtai Zhongdingjiye Real Estate Development Co., Ltd., and Hebei Zhongding Real Estate Development Co., Ltd., which through certain contractual arrangements, the Company controls. As Marketing Director, Ms. Zheng's responsibilities included oversight of the Company's marketing efforts. From May 2006 to December 2009, Ms. Zheng was employed in the Lighting Division of Philips, a Netherlands based fortune 500 company. Philips has generated approximately \$9 billion dollars in revenue in China, where she was responsible for budgeting and financial planning for the operations of Philip's lighting division in northern China. From April 2004 to May 2006, Ms. Zheng was employed by Mercer Consulting in China where she engaged in management consulting and financial modeling for a variety of companies, including state and privately owned business. Ms. Zheng graduated from the University of Bradford in the United Kingdom in February 2004 with a Masters degree in Financial Management. She has extensive experience in accounting and capital markets.

James Stuart Coleman, Director (age 59)

Mr. James Coleman has been the Chief Representative in the United States of Wuhan Yangtze River Newport Logistics Co., Limited since April 2015. Mr. Coleman has also been the CEO and CFO of Dream Recovery International, Inc., a drug and alcohol rehabilitation facility since January 2014. Mr. Coleman has also been a Partner of the Angel Capital Ltd, an angel capital investor in start-up companies since September 2012. Since April 2006, Mr. Coleman has served as an Associate Broker at Bond New York Properties, LLC, specializing in commercial real estate in New York. We have selected Mr. Coleman as a director because of his experience with the capital markets in the United States.

Mr. Coleman received his Bachelor's degree in Arts from Allegheny College in 1978. He is also a licensed Associate Broker in the State of New York.

Zhanhuai Cheng, Director (age 68)

Mr. Zhanhuai Cheng has served as the Chief Technology Officer ("CTO") of Wuhan Huazhong Steel Trading Center since December 2008 and is responsible for the planning and construction of the logistics warehouse, dock berths, and supporting residential and commercial buildings. Since July 2015, after Wuhan Huazhong Steel Trading Center restructured into Wuhan Newport, Mr. Cheng continued serving as the CTO of Wuhan

Newport. Mr. Cheng was appointed as a member of the Board in December 2015. From 2000 to 2007, Mr. Cheng was employed by the Wuhan City Port Authority Officers and was in charge of port construction planning. During his term with the office, Mr. Cheng worked with the various ports along the Yangtze River and accumulated great experience in port planning, wharf construction, operations and management. He helped various agencies of the Wuhan government to complete the transformation of the water network, port construction, etc., and obtained the title of advanced workers of Wuhan City. During his service, Mr. Cheng also directed the planning, development and construction of the Qingshan Port, Yangluo Port, Yangsi Port and other terminals in Wuhan.

From 1993 to 2000, Mr. Cheng served as an officer of Wuhan Light Rail Construction and was in charge of resource development, project design, tendering and construction work. During his term of office, Mr. Cheng has contributed greatly to metro line planning and rail transit construction in Wuhan. These are recognized by the Wuhan Government with a number of honorary titles issued to him.

Mr. Cheng has also previously worked in the Wuhan Iron and Steel Limited, focusing on the production of railway and other construction, and port transportation projections. Mr. Cheng was also employed by the Ministry of Railways Bridge Engineering Bureau and served as a staff analyst and later on a vice dean of an academic institute, contributing to many projects and achieving great success. We have selected Mr. Cheng as a director because of his expertise in our industry.

Yanliang Wu, Director (age 50)

Mr. Wu has served as the deputy general manager of Wuhan Huazhong Steel Trading Center since June 2010. Since July 2015, after Wuhan Huangzhong Steel Trading Center re-structured into Wuhan Newport, Mr. Wu continued serving as the deputy general manager of Wuhan Newport. Mr. Wu has been working for Wuhan Yangtze River Newport Logistics Co. Ltd. since 2012, and is in charge of the company's indoor storage, outdoor yards, approval, planning and construction of warehouses, and operations management. Mr. Wu worked for Alpha Logistics Co. Ltd. in Montreal, Canada from 1997 to 2003, where he served as the Head of Logistics and coordinated the construction of the logistics network of the company in North America and the Pacific Rim. From 2002 to 2012, he was in charge of the company's business development in the logistics industry in Mainland China, as well as leading the opening of its Shanghai branch. From 1986 to 1996, Mr. Wu worked in the head office of the state-owned Wuhan Metal Materials Corporation, serving as the Minister of Management and General Manager of Commodity Trading. During his employment, he received two accolades for his personal achievement in 1990 and 1992. He was also certified as a senior economist in China in September 1994. We have selected Mr. Wu as a director because of his expertise in our industry.

Mr. Wu received his Bachelor of Sciences degree in Logistics from Huazhong University of Science and Technology in 1986.

Yu Zong, Director (age 45)

Mr. Zong has served as the Deputy General Manager of Wuhan Yangtze River Newport Logistics Co. Ltd. from February 2012 to September 2015, and was in charge of the development, construction and management of the real estate. Mr. Zong became its general manager and legal representative in October 2015. In July 2015, after Wuhan Huangzhong Steel Trading Center re-structured into Wuhan Newport, Mr. Zong was appointed as the deputy general manager of Wuhan Newport. Mr. Zong was appointed as General Manager and Chief Representative of Wuhan Newport in October 2015. From September 2009 to January 2012, he worked in Wuhan Dingxin Real Estate Ltd. as the Deputy General Manager and Chief Engineer, leading the construction and management of the "Mocha Town" Phase II Development Project. From 2007 to 2009, Mr. Zong worked in the China Railway Group Wuhan Properties Limited, as the minister of Engineering Planning Division, and participated in a large real estate project which had a total investment of six (6) billion RMB. From 2003 to 2006, Mr. Zong worked in Hubei Jiuding Ltd., as the Deputy General Manager and Chief Engineer and was responsible for the construction and management of a villa project which occupied an area of 80,000 square meters and a total construction area of 70,000 square meters. During the construction period, his duties included preliminary design, construction report, project quality control, and compliance. From 2000 to 2002, Mr. Zong worked as the Project Manager for Pace Home Development Inc., in Canada, providing consulting services for various types of construction projects. Mr. Zong also previously worked in the Wuhan Institute of Architecture Design Institute. We have selected Mr. Zong as a director because of his expertise in our industry.

Mr. Zong obtained his bachelor's degree in Civil Engineering in 1993 from Wuhan University. He also obtained his master' degree in Engineering from the University of British Columbia in 2004.

Harvey Leibowitz, Independent Director, Chair of the Audit and Compensation Committees (age 81)

Mr. Leibowitz has been a director and Chair of the Audit Committee of ASTA Funding, Inc., a company listed on the NASDAQ since 2000. Mr. Leibowitz graduated from the City University of New York – Baruch College in 1955 with a bachelor's degree in Accounting. Between 1955 and 1962, he was employed as a staff accountant at various accounting firms working on matters relating to audits, taxes and write-ups. From 1962 to 1979, Mr. Leibowitz worked at Standard Financial Corporation, which acquired Sterling National Bank in 1965, in capacities including internal auditor and Senior Vice President in charge of commercial financing and factoring. From 1980 to 1994, Mr. Leibowitz worked for companies such as International Paper Company, Century Factors, Inc., and Foothill Financial Advisors, Inc., and was in charge of commercial financing involving secured loan financing. From 1994 to 1999, Mr. Leibowitz worked for Sterling National Bank as an internal auditor and was in charge of the Commercial Finance Department. Based on Mr. Leibowitz's education and employment background, we have selected Mr. Leibowitz as a director and chairman of the Audit Committee because of his expertise in accounting and finance and the Board believes that Mr. Leibowitz qualifies as a "financial expert" as defined by the SEC rules.

Zhixue Liu, Independent Director (age 52)

Mr. Liu obtained his Ph.D. in Management and is currently a professor at the School of Management of Huazhong University of Science and Technology. Mr. Liu has been teaching as a professor at the School of Management of the Huazhong University of Science & Technology since January 2011. Mr. Liu was appointed as a member of the Board in December 2015. Also currently the Deputy Director of the Product Operations and Logistics Management Department, Mr. Liu is one of the main drafters of The People's Republic of China National Standard - Classification and Index of Logistics Enterprises and The People's Republic of China National Standard - Logistics Terminology. He is also a member of the National Ministry of Education Logistics Specialty Guidance Steering Committee, Board of Trustee of the National Natural Science Fund Committee Management Division, Committee of the National Professional Commission for Certification of Logistics Specialist, Deputy Secretary General of the China Logistics Technology Association, Executive Director of the China Society of Logistics, and Executive Director of the China Marketing Association.

Mr. Liu obtained his bachelor's in Logistics from Huazhong University of Science and Technology in 1986. After his graduation, he served as an assistant, lecturer, associate professor, professor and doctoral tutor in the University, and focuses on researching and teaching logistics management, supply chain management, international trade, international business operations and marketing. Recently, he has published six (6) representative works, including the Modern Logistics Handbook, and more than forty (40) papers in domestic and foreign mainstream journals. He also hosted and participated in academic forums on Research on Model of Supply Chain Logistics Management and Case Studies on China's Auto Supply Chain and other studies initiated by the National Natural Science Foundation. Mr. Liu has led research on the Shandong Weifang City Logistics Development Strategy Plan, Planning of Jiangyin Yangtze Port Integrated Logistics Zone and Logistics Solutions for Dongfeng Vehicles, Study on Transition of Wuhan Iron and Logistics Transportation Companies and a number of other logistics management topics. Mr. Liu and his research have been awarded the Outstanding Scientific Achievement Award under China's "Ninth Five-Year" key scientific and technological projects, and Second Place in the National Commerce Scientific Advancement Award. We have selected Mr. Liu as a director because of his expertise and scholarship in the industry.

Tongmin Wang, Independent Director (age 56)

Mr. Wang was a chief engineer of Logistical Equipment at Wuhan Iron and Steel Limited from January 2011. Mr. Wang has worked for Wuhan Iron and Steel Limited and Wuhan Port Terminal Foreign Trade Co., Ltd. since 2007. He has served as the deputy general manager of the Office of Corporate Integration, Chief Administrative Officer, Director of Cargo Unloading and Chief Engineer of Logistical Equipment. Mr. Wang worked for Wuhan Port Group from 1992 to 2007. During this period, he held positions include Deputy Administrative Officer, Deputy Director of the Wuhan Water Company, Director of the Wuhan Port Mechanical Company, Manager of the Office of the Corporate Integration, Director of the Cargo Unloading Division and etc. From 1981 to 1992, Mr. Wang worked for the Wuhan Port Machinery Plant of the Ministry of Transportation in China.

Mr. Wang possesses professional knowledge and more than three decades of experience in the management of a port. He is familiar with the logistics industry and takes a practical approach in the organization and management of cargo loading/unloading. He is able to utilize his expertise to solve practical problems involving

the day-to-day operations at a port terminal. We have selected Mr. Wang as a director because of his expertise in the industry.

He received his bachelor's degree in Mechanical Engineering from Wuhan Institute of Maritime and master's degree in Industrial Management from the Chinese Academy of Social Sciences in 1998.

Romano Tio, Independent Director, Chair of the Social Media Committee (age 55)

Mr. Tio has served as the Managing Director at RM Capital Management LLC, a boutique real estate investment and advisory firm since June 2009. Earlier in his career, Mr. Tio was involved in the real estate sales and brokerage business for 25 years. From August 2003 to December 2007, Mr. Tio was a Managing Director at the Carlton Group Ltd., a New York boutique real estate investment banking firm where he was involved in over \$3.5 billion worth of commercial real estate transactions. From January 2008 to May 2009, Mr. Tio served as a Managing Director and co-head of the commercial real estate efforts of HCP Real Estate Investors, LLC, an affiliate of Harbinger Capital Partners Funds, an over \$10 billion private investment firm located in New York. Mr. Tio has also served as one of the independent directors of Bluerock Residential Growth REIT in New York since January 2009. Moreover, Mr. Tio has served as an independent Trustee of the Board of Trustees of Total Income+ Real Estate Fund, a closed-end interval fund organized by Bluerock, since July 2012. We have selected Mr. Tio as a director because of his expertise in finance.

Mr. Tio received a B.S. degree in Biochemistry in 1982 from Hofstra University located in Hempstead, New York.

Daniel W. Heffernan, Independent Director Chair of the Nomination and Board Oversight Committees (age 55)

Mr. Heffernan has served as the Principal of HRK Associates, specializing in credit enhanced finance since 1998. Mr. Heffernan was the Principal of HRK Associates since January 2011. Mr. Heffernan was appointed as a member of the Board in December 2015. Prior to his position at HRK, from 1973 to 1986, Mr. Heffernan served as an officer at New York Life Insurance Company. From 1986 to 1998, Mr. Heffernan was employed as an officer at Jhminer, Co. Ltd., in New York. Mr. Heffernan has more than thirty years of financial experience in the highly specialized niche market of mitigation of risk through the use of insurance and reinsurance related financial products. He has provided services to clients operating throughout the U.S. and in the international marketplace, leveraging his experience in providing credit enhanced, customized financial solutions that provide a distinctive bridge to the capital markets.

Mr. Heffernan is actuarially trained and has previously worked for New York Life Insurance Company, where he ran the Pension Department and supervised its two hundred eighty employees, and MINET/MIPI Brokers. While at New York Life, he consulted with a client base in excess of 5,000 corporations and unions, providing services ranging from structuring to administration. We have selected Mr. Heffernan as a director because of his expertise in finance.

Mr. Daniel W. Heffernan obtained his bachelor's degree in Theology from New York Shadowbrook Jesuit Seminary in 1972.

Zhihong Su, Independent Director, Chair of the Governance and Human Resources Committee (age 55)

Mr. Su has served as the managing partner of the Beijing Hengjun Law Firm since December 2001, practicing in areas such as securities, litigation, general corporate and banking. Mr. Su was appointed as member of the Board in January 2016. Mr. Su started his career as in-house counsel for China International Trust and Investment Corporation ("CITIC") in December 1984, and was responsible for the legal affairs of overseas investments. In January 1990, Mr. Su was sent to station at the Washington DC-based law firm Arnold and Porter LLP as a foreign lawyer to oversee a full spectrum of legal matters of CITIC's subsidiaries in the United States, namely, CITIC Steel Group, CITIC Buffalo Tungsten Company, CITIC Seattle Woodland and CITIC Florida Real Estate Co. Ltd. During his stay in Washington from 1990 to June 1996, he worked on a number of matters involving corporate and securities law. Upon returning to China in July 1996, Mr. Su worked for the Law Offices of Jiahe as one of the founding members and as an attorney until November 2001. We have chosen Mr. Su to serve as a director because of the perspective he brings to legal matters in China.

Mr. Su earned his bachelor's degree in Laws (LLB) from China University of Political Science and Law where he had taught for a year after graduation before becoming a qualified Chinese lawyer in the same year.

About Yangtze River Development Limited

Yangtze River Development Limited primarily engages in the business of real estate development with a port logistic project located in the middle reaches of the Yangtze River. Wuhan Newport is a large infrastructure development project implemented under China's latest "One Belt One Road" initiative and is believed to be strategically positioned in the anticipated "Free Trade Zone" of the Wuhan Port, a crucial trading window between China, the Middle East and Europe. To be fully developed upon completion of three phases, within the logistics center, there will be six operating zones, including port operation area, warehouse and distribution area, cold chain logistics area, rail cargo loading area, exhibition area and residential community. The logistics center is also expected to provide a number of shipping berths for cargo ships of various sizes. Wuhan Newport is expected to provide domestic and foreign businesses a direct access to the anticipated Free Trade Zone in Wuhan. The project will include commercial buildings, professional logistic supply chain centers, direct access to the Yangtze River, Wuhan-Xinjiang-Europe Railway and ground transportation, storage and processing centers, IT supporting services, among others.

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Disclosure

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